

Revocation of designation means the process by which the Secretary may revoke the designation of an urban area as an Empowerment Zone. (See subpart E of this part.)

State means any State of the United States.

Urban area means:

(1) An area that lies inside a Metropolitan Statistical Area (MSA), as designated by the Office of Management and Budget; or

(2) An area outside an MSA if the jurisdiction of the nominating local government documents:

(i) The urban character of the area, or

(ii) The link between the area and the proposed area in the MSA.

§ 598.4 Period of designation.

The designation of an urban area as an Empowerment Zone will remain in full effect during the period beginning on the date of designation and ending on the earliest of:

(a) The close of the tenth calendar year beginning on the date of designation;

(b) The termination date designated by the State and local Governments in their application for nomination; or

(c) The date the Secretary modifies or revokes the designation.

Subpart B—Eligibility Requirements

§ 598.100 Eligibility requirements.

A nominated urban area is eligible for designation in accordance with this part only if the area:

(a) Has a maximum population that is the lesser of:

(1) 200,000; or

(2) The greater of 50,000 or ten percent of the population of the most populous city located within the nominated area;

(b) Is one of pervasive poverty, unemployment and general distress, as described in § 598.110;

(c) Does not exceed twenty square miles in total land area, excluding up to three noncontiguous developable sites that are exempt from the poverty criteria;

(d) Has a continuous boundary, or consists of not more than three noncontiguous parcels meeting the poverty

criteria, and not more than three noncontiguous developable sites exempt under § 598.115(c)(1) from the poverty rate criteria;

(e) Is located entirely within the jurisdiction of the unit or units of general local government making the nomination, and is located in no more than two contiguous States; and

(f) Does not include any portion of a central business district, as this term is used in the most recent Census of Retail Trade, unless the poverty rate for each census tract in the district is not less than 35 percent.

§ 598.105 Data used for eligibility determinations.

(a) *Source of data.* The data to be used in determining the eligibility of an area is from the 1990 Decennial Census, and from information published by the Bureau of the Census and the Bureau of Labor Statistics. Specific information on appropriate data to be submitted will be provided in the application.

(b) *Use of statistics on boundaries.* The boundary of an urban area nominated for designation as an Empowerment Zone must coincide with the boundaries of census tracts, as defined in § 598.3.

§ 598.110 Tests of pervasive poverty, unemployment and general distress.

(a) *Pervasive poverty.* Pervasive poverty is demonstrated by evidence that:

(1) Poverty, as indicated by the number of persons listed as being in poverty in the 1990 Decennial Census, is widespread throughout the nominated area; or

(2) Poverty, as described above, has become entrenched or intractable over time (through comparison of 1980 and 1990 census data or other relevant evidence).

(b) *Unemployment.* Unemployment is demonstrated by:

(1) The most recent data available indicating that the annual rate of unemployment for the nominated area is not less than the national annual average rate of unemployment; or

(2) Evidence of especially severe economic conditions, such as military